<div align="center">REMARKS</div>

Claims 1-9, 11-15, 17, 18, 21-30 and 32-35 are pending. Claims 1, 5, 8, 17, 18 21, 22, 26 and 29 are currently amended. Claims 10, 16, 19, 20 and 31 are canceled. No new matter has been introduced.

The Examiner is thanked for allowing claims 14 and 35, and for indicating claims 5, 8, 21, 26 and 29 are directed to allowable subject matter. Claims 5, 8, 21, 26 and 29 have been amended and are believed to be allowable as amended.

The Examiner rejected claims 1-4, 6, 7, 9, 11 and 16-18 under 35 USC Section 102(b) as anticipated by Chan, et al., *A Low-Complexity, High Quality, 64 Kbps Audio Codec With Efficient Bit Allocation.* Claims 10, 13, 15, 31 and 34 were rejected under 35 USC Section 103(a) as obvious over Chan in view of U.S. Patent No. 7,003,449 issued to Absar, et al. Claims 12, 19, 20 and 33 were rejected under 35 USC Section 103(a) as obvious over Chan in view of allegedly admitted prior art. The Examiner's rejections are respectfully traversed.

Independent claim 1, as amended, recites, "generating a global masking threshold from the logarithmic masking components, including generating masking thresholds from said logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 13 recites, "generating respective masking thresholds from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 15 recites, "means for generating respective masking thresholds from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 17, as amended, recites, "generating a global masking threshold from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 18, as amended, recites, "means for generating a global masking threshold from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 22, as amended, recites, "generate a global masking threshold from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$." Independent claim 34 recites, generating respective masking thresholds from the logarithmic masking components using a masking function of the form: $vf = -17 * dz, \ 0 \le dz < 8$."

The Examiner concedes that a masking function of the form: $vf = -17 * dz$, $0 \leq dz < 8$, is not taught be Chan and relies on Absar as providing motivation for the recited range of $dz$. Absar merely indicates that the masking function may be limited to upward masking. There is no teaching or suggestion in Absar that positive values for dz less than 8 allow the second term in a masking function to be safely disregarded. See the discussion in the application as filed at page 11. Thus, Chan, alone or in combination with Absar, does not teach, suggest or motivate "a masking function of the form: $vf = -17 * dz$, $0 \leq dz < 8$," as recited. Claims 2, 3, 4, 6, 7, 9, 11 and 12 depend from claim 1 and claims 23-25, 27, 28, 30, 32 and 33 depend from claim 22 and are allowable at least by virtue of their dependencies.

The Director is authorized to charge any additional fees due by way of this Amendment, or credit any overpayment, to our Deposit Account No. 19-1090.

All of the claims remaining in the application are now clearly allowable. Favorable consideration and a Notice of Allowance are earnestly solicited.

Respectfully submitted,

SEED Intellectual Property Law Group PLLC


   /Timothy L. Boller/
Timothy L. Boller
Registration No. 47,435

TLB:jrb


701 Fifth Avenue, Suite 5400
Seattle, Washington 98104
Phone: (206) 622-4900
Fax: (206) 682-6031

1304775_1.DOC